



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2011 Biennium

Bill #	SB0416	Title:	Encourage construction of affordable housing
Primary Sponsor:	Laible, Rick	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
Expenditures:				
General Fund	\$71,217	\$67,759	\$69,453	\$71,189
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$71,217)</u>	<u>(\$67,759)</u>	<u>(\$69,453)</u>	<u>(\$71,189)</u>

Description of fiscal impact: This bill creates the Montana Affordable Housing Act; defines accessory dwelling units; specifies duties of the Department of Commerce with regard to accessory dwelling units; and provides for local government development of accessory dwelling units.

FISCAL ANALYSIS

Assumptions:

Department of Commerce (DOC):

1. It is assumed the Department would immediately require 1.00 FTE program specialist to address the duties and responsibilities mandated in the bill. Estimated costs for the FTE for FY 2010 are \$50,325 and \$50,340 for FY 2011. FY 2012 and FY 2013 costs are inflated 2.5 % annually.
2. For the purposes of this fiscal note it is assumed the department's operating expenses would also increase. Staff would be expected to survey local jurisdictions by telephone and electronic communications, collect and review local development regulations, zoning regulations, other official controls, and any local government limitations on those controls, and provide template language for encouraging the development and placement of accessory dwelling units. Operating expenses are estimated to be \$20,892 in FY 2010 and \$17,419 in FY 2011. FY 2012 and FY 2013 costs are inflated 2.5 % annually.

3. The Department of Commerce cannot quantify the potential revenue and expenditure impacts or benefits to the state beyond what is estimated in this fiscal note.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<u>Fiscal Impact:</u>				
FTE	1.00	1.00	1.00	1.00
<u>Expenditures:</u>				
Personal Services	\$50,325	\$50,340	\$51,599	\$52,888
Operating Expenses	\$20,892	\$17,419	\$17,855	\$18,301
TOTAL Expenditures	\$71,217	\$67,759	\$69,454	\$71,189
<u>Funding of Expenditures:</u>				
General Fund (01)	\$71,217	\$67,759	\$69,453	\$71,189
TOTAL Funding of Exp.	\$71,217	\$67,759	\$69,453	\$71,189
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$71,217)	(\$67,759)	(\$69,453)	(\$71,189)

Technical Notes:**Department of Commerce (DOC)**

1. The department currently has no regulatory role in local government, but provides technical community development and planning assistance to local jurisdictions. This bill would create a regulatory role for the department in directing local governments to incorporate provisions for the development and placement of accessory dwelling units in their development regulations, zoning regulations, or official controls. The department currently has no process for overseeing any function of local government. The bill needs clarification as to what process the department would follow to “direct” local government units as required by the bill, and the scope of its regulatory authority should local government units not follow such direction.
2. The proposed Act adds statutory requirements to local government planning, zoning, and subdivision regulations. Local planning, zoning, and subdivision regulations are governed by the requirements set forth in Title 76, Chapters 1, 2, and 3. The department notes that the proposed Act should also be codified in Title 76.
3. This activity would not be allowed with Board of Housing programs. Internal Revenue Code Section 143(a)(2)(A) does not allow the use of tax exempt bond financing for homeownership to generate rental income.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date